

Building Blocks for Effective Housing Elements

Adequate Sites Inventory and Analysis

Realistic Development Capacity

Government Code Section 65583.2(c) requires, as part of the analysis of available sites, a local government to demonstrate the projected residential development capacity of the sites identified in the housing element can realistically be achieved. Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The number of units calculated shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (4) of subdivision (a) of Section 65583.

I. REQUISITE ANALYSIS

The site inventory analysis must include an estimate of the number of housing units that can be accommodated on each site identified in the land inventory within the planning period in accordance with Government Code 65583.2(c)(1&2).

The element must include a description of the methodology used to estimate the realistic capacity. The element should not estimate unit capacity based on the theoretical maximum buildout allowed by the zoning; rather, residential development capacity estimates must consider:

- All applicable land-use controls and site improvement requirements.
The analysis must consider the imposition of any development standards that impact the residential development capacity of the sites identified in the inventory. When establishing realistic unit capacity calculations, the jurisdiction must consider existing development trends as well as the cumulative impact of standards such as maximum lot coverage, height, open space, parking, and FARs.

If a local government has adopted, through regulations or ordinance, minimum density requirements that explicitly prohibit development below the minimum density, the element may establish the housing unit capacity based on the established minimum density.

- Existing Uses:
The inventory must consider the impact of existing development when calculating realistic development capacity. For example, to demonstrate the unit capacity of underutilized sites, the analysis should describe and explain the factors that make developing additional residential units feasible (within the planning period). Consider the following example: A one-acre parcel zoned for 20 dwelling units per acre and developed with a single-family home. The element must demonstrate the local government has a track record of facilitating and supporting the intensification of sites, and describe the incentives the local government offer would offer (through a specific program action) to attract and assist developers.
- Small Sites (less than one acre):
The element should include an analysis demonstrating the estimate of the number of units projected on small sites, is realistic or feasible. The analysis should consider development trends on small sites as well as policies or incentives to facilitate such development. For example, many local governments provide incentives for lot consolidation. In addition, while it may be possible to build housing on a small lot, the nature and conditions (i.e., development standards) necessary to construct the units often render the provision of affordable housing infeasible. To utilize small sites to accommodate the jurisdictions share of the regional housing need for lower-income households, the element must consider the impact of constraints associated with small lot development on the ability of a developer to produce housing affordable to lower-income households.

KEY IDEAS

II. HELPFUL HINTS

- To support a realistic residential capacity assumption, the element could include a description of the build-out yields of recently constructed residential projects.
- To demonstrate the viability of small lot development to accommodate the local housing need, the element could include a description of the local government's role in facilitating small-lot development (e.g., providing regulatory and/or fiscal incentives, develop and adopt small lot ordinance like the City of Los Angeles (see IV. Links)).

- As applicable, due to local housing needs and available land resources, the element could include a program action that provides for lot consolidation and/or parcel assemblage.
- Local governments should be diligent in preparing their annual reports pursuant to Government Code Section 65400. The project-by-project descriptions and resulting build-out yields would be helpful in formulating a development track record and demonstrating realistic capacity.

III. MODEL ANALYSES

[Sample Sites Inventory](#)

IV. LINKS

[Chapter 724, Statutes of 2004 \(AB 2348\)](#)

[City of Los Angeles' Small Lot Design Guidelines](#)